Sanitized Copy Approved for Release 2010/06/21: CIA-RDP90-00552R000404460003-2

ARTICLE APPEARED
ON PAGE
13

NEW YORK TIMES 13 June 1986

U.S. Officials Express Concern Over Charges Against Panamanian

STAT

By STEPHEN ENGELBERG
Special to The New York Times

WASHINGTON, June 12 — Senior Reagan Administration officials expressed concern today about evidence that the army commander of Panama was involved in drug trafficking and money laundering and was linked to the killing of a political opponent.

Members of Congress and the Administration said they had been aware for some time of the charges against the commander, Gen. Manuel Antonio Norlega, who is viewed as the leader of Panama.

'Well Beyond' Rumors

Asked to comment on a report Thursday in The New York Times on the activities of General Noriega, Elliott Abrams, the Assistant Secretary of State for Inter-American Affairs, said, "These are serious charges, but they have been around a long time."

Representative Gerry E. Studds, Democrat of Massachusetts, said he expected the Subcommittee on Western Hemisphere Affairs of the House Foreign Affairs Committee to investigate the charges against General Noriega.

"There's no question we need to pro-

ceed," Mr. Studds said. "The allegations are so comprehensive, so broad and so serious. Clearly we are well beyond the rumor stage and it's time for us to do something."

He added: "We have some really bizarre friends around the world. This is one of the more bizarre."

Secretary of State George P. Shultz, questioned by reporters in the lobby of the State Department building, said "activities of that kind are obviously of importance and concern to us."

General Noriega had been visiting the United States, but left this morning for Panama, according to a spokesman at the Panamanian Embassy. He apparently cut short his trip, canceling plans to attend a graduation ceremony Friday in Washington of the Inter-American Defense College, according to a diplomat familiar with the general's travel schedule.

Panel to Hold Hearings

The chairman of the Senate Foreign Relations Committee, Richard G. Lugar, Republican of Indiana, said today that the panel would hold closed-door hearings on Panama and on allegations of misconduct involving the Nicaraguan rebels. An aide to Mr. Lugar said the hearings were tenta-

tively scheduled for June 23.

Representative Larry Smith, a member of the Foreign Affairs Committee, said a House task force on international drug trafficking would hold hearings on Panama next week. Mr. Smith, a Florida Democrat, said the staff of the Foreign Affairs Committee prepared a report on Panama last year and "it appears things have gone way beyond where we were at that time."

"If in fact these allegations are true, nothing we could be getting out of it could possibly justify turning a blind eye," Representative Smith said.

Senator Frank H. Murkowski, a Republican of Alaska who is on both the Senate Intelligence Committee and the Foreign Relations Committee, said he had long been concerned by the presence of more than 70 banks in Panama. "It's pretty hard to imagine how they could support all those banks based on the economy of that country," he said. "One can infer there's laundering going on."

Activities Were Known

The Reagan Administration and its predecessors were said to have been aware of General Noriega's involving in activities, including the simultane-

ous transfer of intelligence to Cuba and the United States. Administration officials said that the United States had been willing to accept his activities because of the privileges granted by General Noriega for military and intelligence operations.

Representative Sam Gejdenson, a Connecticut Democrat, said that members of Congress had long been concerned by General Noriega's activities. "I think everyone has known about it for some time," he said. "It's one of the countries in the region which members of Congress and the Administration have focused on as a problem."

Representative Gejdenson urged the Administration to use the public disclosure of the problems in Panama as a way to press "for some very serious changes." He added: "We need to use our influence to make sure that reforms come quickly. It's a situation that's ripe for Soviet exploitation."

Commenting on The Times's article on General Noriega's activities, the State Department spokesman, Bernard Kalb, said:

"We find these allegations to be disturbing and that examination of these allegations would appear to be a matter for consideration by the Government of Panama."

STAT